

Socio-Economic Policies and Undertakings

ALASKA HIGHWAY PIPELINE PROJECT

Introduction

The following is a summary of the socio-economic policies and undertakings of Foothills Pipe Lines (Yukon) Ltd. relating to the Yukon portion of the Alaska Highway Pipeline Project. This is provided in response to a request of the National Energy Board (Reference: National Energy Board March 10, 1977 Transcript of Proceedings, Page 27,116.) An expansion of the items covered in this summary is contained in:

- a) Foothills Pipe Lines (Yukon) Ltd. - Socio-economic Statement - Alaska Highway Pipeline Project - as filed with the National Energy Board.
- b) Foothills Pipe Lines (Yukon) Ltd. - prepared evidence of Panel 1 of Phase 3C as filed with the National Energy Board
- c) The National Energy Board Hearing Transcripts of the testimony of the Foothills Pipe Lines (Yukon) Ltd. Socio-economic panel.

Overall Objective of the Foothills Pipe Lines (Yukon) Socio-Economic Program

The overall objective of Foothills' socio-economic program is to ensure that our pipeline system is planned, constructed and operated in such a manner that it offers the optimum net benefits to the residents of Yukon.

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In stating this objective, Foothills recognizes that it must remain responsive to the society and economy of Yukon and thus intends to remain as flexible as possible in its policies towards minimizing the detrimental impacts and maximizing the beneficial impacts of its project. In the development of this program Foothills intends also to rely upon the extensive background and knowledge in this area of its two sponsor companies, Westcoast Transmission Company Limited and The Alberta Gas Trunk Line Company Limited. In fact much of the program is an extension of the basic approach which these two companies currently practice, and also that which AGTL followed in its earlier involvement with proposed northern pipeline systems.

#### Means of Achieving this Objective

Probable impacts as a result of the project are assessed and policies and procedures are then formulated and implemented which we believe will best serve to provide the maximum overall benefit to a community or region. In following this procedure:

1. the first step is to assemble a description of the current and past socio-economic patterns and trends of the area;
2. the second step is to identify the potential areas of interaction between our project and the existing socio-economic environment; and,
3. the next step in the process is to predict the effects and intensity of this interaction, and then to obtain feedback from the persons, communities or governments affected, so that this feedback can be used as input to possible project modifications in order that our overall objective will be achieved.





PART I

POLICIES AND UNDERTAKINGS - PRE-CONSTRUCTION

The following is an outline of policies and undertakings that Foothills Pipe Lines (Yukon) Ltd. sees as necessary to have in place and functioning or ready to function before final authorization to proceed with construction is given.

1. Settlement of Land Claims and Public Acceptance of the Project

Foothills has taken the position that construction of a pipeline in Yukon should not proceed until there is a broad acceptance of the project by the residents of that area. (Reference: Mr. S.R. Blair's testimony to the NEB December 10, 1976 - transcript pp. 18780 - 18793)

2. Employment and Training of Yukoners

- a) Foothills believes that an efficient manpower delivery system must be in place if employment of Yukon workers on the project is to be optimized:
  - i) In order to avoid unnecessary duplication and competition for the local worker, the system should be designed to deliver Yukon manpower to the total project ie. pipeline and related activities.
  - ii) The system should, as much as possible, direct persons into the vocation for which they are best suited.
  - iii) The system should prepare the people for the working conditions which they will encounter.
  - iv) As much of the delivery system functions as practical should be carried out in the communities, thus allowing Yukoners to remain in their home communities as long as possible.





- v) The system should utilize services available from existing sources as much as possible.

Since government departments are already providing services similar to those described and in fact have offices located in a number of Yukon communities, it is Foothills' opinion that it would be appropriate for government to continue to provide such services.

Foothills will co-operate with the appropriate government agencies, contractors, unions and local organizations towards the development of such a manpower delivery system. Discussions have already taken place in this regard.

- b) Foothills will develop and make known to the public its employment policies. This process is presently ongoing.
- c) Definition of "Yukoner"

In order to maximize local hire and training on the project, Foothills believes a universal definition of "Yukoner" is a necessity. Foothills looks to government to provide such a definition.

- d) Pre-construction Training

The mechanism for providing pre-construction and construction training should be developed and made known to the public. While Foothills will co-operate fully in this, Canada Manpower, Contractors and Unions have traditionally provided this training and Foothills believes this practice should continue. The required training program for the operations phase is part of the Nortran program. (See Operations section)





e) Orientation

The Alaska Highway Pipeline Project is to be constructed in a manner which will be familiar to most, if not all of the southern workforce needed to be brought into Yukon in order to complete the project. Likewise, it is expected that because of previous construction activities in Yukon, Yukoners will experience little or no difficulty in adjusting to work on the pipeline project, since standard construction practices will be used.

For these reasons, extensive orientation programs are not considered to be necessary for the construction phase of this project. During the Operations and Maintenance phase, however, orientation programs similar to the one now being conducted by Nortran will continue to be part of the normal recruitment and training program.

Notwithstanding the above, during the construction phase Foothills does intend to provide an orientation program which will include:

- i) an explanation of camp rules and regulations including conduct codes, and equipment, building and vehicle usage;
- ii) explanation of permit stipulations and other applicable regulations;
- iii) introduction to and explanation of the on-site counselling services; and,
- iv) safety practices and working conditions.





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The program will be tailored to suit the various segments of the work force.

### 3. Project Agreement

Foothills will, through a project or special agreement between the Contractors and Unions, assure that the applicable terms and conditions contained in the permit plus other appropriate undertakings of Foothills are satisfied. For example, for matters pertaining to pipeline construction, Foothills would arrange such matters through the Canadian Pipeline Advisory Council. General discussions have already been held with the Canadian Pipeline Advisory Council.

### 4. Local Business Involvement

- a) A prime objective of Foothills is to maximize within practical limits the participation of local businesses in our project. Foothills' prime role is the formation and implementation of policies designed to encourage entrepreneurship.
- b) In order to accomplish this objective, discussions have been initiated and will be continued between Foothills and representatives of the Chamber of Commerce, Yukon Contractors Association, etc. These discussions are designed to:
  - i) ensure that Yukon businessmen are aware of the opportunities to participate in and benefit from the construction and operation of the proposed Alaska Highway Pipeline Project.
  - ii) ensure that the Foothills purchasing policies reflect any special circumstances or needs of Yukon businessmen.





- iii) develop a bidders list composed of potential Yukon suppliers of goods and services to the pipeline project.

## 5. In-migration

Foothills considers that undesirable in-migration to Yukon could be the major detrimental impact created by the pipeline. As one means to discourage this, Foothills will undertake at the time the permit is issued, a suitable information program in southern Canada which will emphasize the Company's hiring policies and practices. (See Construction Section)

Foothills is confident that with this program, its hiring and working policies and practices, the nature of the project and the extensive pipeline construction occurring "south of 60", an insignificant amount of undesirable in-migration into Yukon will occur as a result of the pipeline project.

## 6. Community Liaison

Foothills will put in place a community liaison program. This will involve the placement of company representatives (preferably local people) in selected communities. The program will have a two-fold objective:

- to provide the northern people with an opportunity to be well-informed about the proposed pipeline system; and,
- to provide them with a means for expressing their desires and concerns as they relate to this system.



Through this program we hope to assure northern residents that these desires and concerns will be listened to and considered when pipeline construction and operational plans and policies are being developed. - -

#### 7. Compensation

The overall philosophy of our compensation policy is that a person who has been adversely affected by our project should be compensated in such a manner that he is equally as well off after the construction of the pipeline as he was initially, and that during the operations phase he will not be disadvantaged as a result of any action by the Company. The procedure for settling of any claims will generally follow that which AGTL and WTCL have developed and found successful over the years. In particular for hunting and trapping losses due to pipeline activities, Foothills will negotiate (prior to the start of pipeline construction) with the Hunters and Trappers Associations the method by which such losses will be compensated.

#### 8. Gas to Communities

Foothills firmly believes the supply of natural gas to northern communities is a major beneficial contribution which the pipeline should bring to northern residents, even if special arrangements are necessary in order to do so.

Since the Alaska Highway Pipeline Project will be transporting only United States natural gas, a plan was developed to provide gas to Yukon communities which involves an Alberta gas supply exchange arrangement. Pan Alberta Gas Ltd. has provided a letter to Foothills stating their willingness to make the required quantity of Alberta produced gas available provided approval is granted to cover its export from Alberta. Pan Alberta is presently in the process of making the necessary application to obtain such approval.





9. Security

Prior to construction, adequate security arrangements must be in place not only for the project, but for the communities as well. The latter, in Foothills' opinion, is a matter for the RCMP. Foothills will co-operate with the RCMP to the extent required. A plan for camp and right-of-way security and routine policing of our own regulations and permit conditions during construction will be developed by Foothills. The RCMP will be kept fully informed on this matter.

10. Pipeline Authority

Foothills believes a single regulatory authority would be preferable but not essential to its project. At present in the construction and operations of pipelines in southern Canada it is necessary to deal with a number of different government agencies, and the process has proven to be workable. However if there is to be a single regulatory authority, it is Foothills' opinion that it should be the National Energy Board.

11. Equity Ownership

Foothills believes the people of Yukon should have the right to purchase equity ownership in the pipeline project on attractive terms, and Foothills will develop a plan for doing so.

12. Impact Funding

Foothills will be responsible for all costs which can be reasonably traced to its project. While certain costs will be easily traceable to the project, it will be difficult to determine the extent to which other costs should be assigned to the project, if at all.





Foothills believes that a procedure must be in place for allocating impact costs prior to the commencement of construction. Foothills is prepared to work with the appropriate government agencies in order to establish such a procedure.



PART IIPOLICIES AND UNDERTAKINGS - CONSTRUCTION

The following list of policies and undertakings have been adopted by Foothills Pipe Lines (Yukon) Ltd. for the construction phase of the Alaska Highway Pipeline Project. It should be noted however, that the implications of those policies and undertakings listed in Part I of this document will of course carry over into the construction phase of the project.

1. Camp Management and Local Infrastructure Requirements

- a) For the construction phase the project has been designed so as to have a minimum demand on the local infrastructure.
- b) Routing of construction personnel to and from the jobsite will be done as expeditiously as possible. Existing airports will be utilized as points of arrival and departure from and to the hiring centres and connecting transportation will be scheduled so that there will be minimal waiting time at these airports.
- c) Return transportation to the point of hire will be provided for all workers who quit, are fired, or leave their work for any reason.
- d) Construction workers will be housed on a single-status basis in self-contained well equipped camps, well removed from the communities. Controlled tavern facilities will be provided in the larger camps.
- e) Company vehicles will not be available to the construction work force for casual transportation, and parking spaces for private vehicles at the campsite will be restricted.





- f) No personal firearms will be allowed in the construction camp.
- g) Alcohol and financial counselling services will be provided as required in the construction camps.
- h) The Foothills policy is directed towards not overtaxing the existing health care delivery systems in Yukon. Emergency health services will therefore be provided in the construction camps and suitable transportation arrangements will be made to evacuate patients to the South as required. All camp medical services and facilities will be under the direction of a medical doctor.
- i) Access to the camps and work sites will be available to the R.C.M.P. or other peace officers pursuant to their responsibilities. Further, Foothills will provide office space, accommodation and access to communication facilities at all major campsites for use by the R.C.M.P.

## 2. Employment, Training and Orientation

- a) It is Foothills' policy that all "southerners" wishing employment on the pipeline will be hired "south of 60" and that no pipeline employment hiring of "southerners" will occur in Yukon. Only Yukoners will be hired in Yukon for employment on the pipeline project.
- b) Foothills intends to give preferential hiring treatment to all employable Yukoners. When qualifications of a local resident and a non-resident are equal, preference will be given to the local resident.





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- c) In any given job category, all employees will be treated equally, and each will receive equal benefits and allowances including housing provisions.
- d) In order to ensure the safety of personnel, all workers will be assigned responsibilities in accordance with their qualifications.
- e) Yukoners will be offered employment at a location as close to their place of residence as it is practicable to do so.
- f) Foothills will, by contractual obligations, assure itself that all contractors and sub-contractors operate in compliance with Foothills' policies respecting employment and working conditions.
- g) Training and employment opportunities will be directed at those persons who will be new entrants into the labour force, and other persons who for a variety of reasons have not fully participated in a wage economy.
- h) Yukoners who elect pipeline employment will be assisted in obtaining information, training and counselling directed towards their own particular vocational goals.
- i) There will be no discrimination regardless of race, sex or religion.
- j) Those Yukoners who seek employment during the construction phase and do not have sufficient skills, will be encouraged to take advantage of the available training opportunities in those skills which will present employment possibilities on a continuing basis in the North.



- k) All construction personnel will receive an orientation course, the content and length of which will be adjusted to suit the requirements (refer to the Pre-construction section.).

3. Northern Entrepreneurship and Local Purchasing

- a) As a matter of policy, Foothills will encourage local entrepreneurship and will wherever practicable use Yukon firms to perform work. It will obtain its supplies and services including transportation from local businesses to the extent that supplies and services to residents will not be unduly inflated in cost or depleted in number.
- b) Foothills will locate its construction headquarters in Whitehorse where close contact can be maintained with northern companies and organizations.
- c) Contractors and sub-contractors on our project will also be required to purchase from local business wherever practical and where there will be no adverse effects on community supplies or services.
- d) Foothills will identify the business opportunities which are potentially available to the local businessman in light of their capabilities and desires. The local Chambers of Commerce and other business organizations will play an important role in this identification of opportunities.
- e) Whenever practical, contracts will be made available by Foothills in proportions which will be manageable by small local firms.





- f) Whenever possible, a greater than normal lead time with regards to bidding on contracts will be provided the local businessman.



PART III

POLICIES AND UNDERTAKINGS - OPERATIONS & MAINTENANCE

During the operations and maintenance phase, Foothills will rely upon the many years of operating experience of its two sponsor companies and exercise flexibility in establishing policies and procedures affecting its employees and the communities where its personnel and facilities are located.

The following policies and undertakings are intended to augment the pertinent commitments made in the two preceding sections of this document which will still be in effect during the operations phase, e.g. employment and local procurement policies, community liaison programs. Moreover, since the division of this enumeration of policies and undertakings has been made on a functional rather than on sequential timing basis, some of the undertakings listed below will be initiated prior to the commencement of the operations and maintenance phase.

1. Employment, Training and Employee Benefits

- a) Foothills will give priority to Yukoners in the filling of all trainee positions and "experienced" positions. Selection of personnel will be made on the basis of individual aptitudes, interest, compatability, etc. and length of residency in Yukon.
- b) Upon receipt of the necessary approvals to construct and operate its proposed pipeline, Foothills intends to provide the additional operational phase training through an expanded NORTRAN program. We have been assured by our two sponsoring companies, Westcoast Transmission Company Limited and the Alberta Gas Trunk Line Company Limited, that when we receive the necessary approvals to construct and operate our proposed





pipeline, they will make the on-the-job training positions we require available to us. We intend to place the trainees with these two pipeline operating companies until such time as our pipeline goes into operation. At that time, on-the-job training will be transferred to the North.

- c) During the construction period, Foothills will offer its operations and maintenance trainees employment as inspectors, materials men, inventory controllers, etc. in the construction management division of the company.
- d) Those Yukoners who become operations and maintenance personnel with our company will be given the opportunity to receive training which will enable them to take advantage of the long-term employment opportunities offered by the pipeline operational phase. This training will not only be directed towards the upgrading of skills, but also towards qualifying Yukoners to assume positions of supervisory and managerial responsibilities.
- e) During the operations phase, Foothills is prepared to consider the implementation of a job rotation system to allow native residents to pursue traditional activities of hunting and trapping, should this be desired. However, such a system would tend to be more feasible in the case of the jobs outside the supervisory category.
- f) In order to enable its permanent employees to extend the benefits of their salaried employment over a greater span of time, Foothills will provide a permanent employee benefits program. As presently contemplated, this package will include a savings plan, investment options, pension plan, life insurance and disability protection, all to be financed jointly by the employee and the Company.



- g) Foothills will provide money management advice as part of its overall counselling services to those of its operations staff who desire it.
- h) Foothills will provide accommodation or accomodation allowances for all of its permanent employees in Yukon. Foothills will also encourage its O & M personnel to purchase their homes rather than rent them from the Company. While it is premature at this time to outline the actual mechanism of such a home ownership plan, it is our intention to make it at least as attractive for our employees to own their own home as it is to rent. (Westcoast Transmission Company Limited already has in place a policy regarding home ownership assistance.)

## 2. Use of Local Facilities

Foothills will work closely with the communities in order to avoid the overtaxing of infrastructure and will assist in the upgrading of existing facilities should our project make this necessary. (A method for consideration and one which Foothills would be prepared to adopt is to provide the community with advanced funding through the pre-purchase of those lots which Foothills will require.)

## 3. Disposal of Surplus Facilities

Following the construction phase, there will be considerable surplus materials available for disposal, and Foothills intends to give the people within the impact region the "right of first refusal" with respect to this equipment and material. Arrangements for the disposal of surplus equipment and materials will be coordinated with the appropriate governmental agencies.





4. Entrepreneurial Opportunities

Foothills will encourage the involvement of local residents in the durable business opportunities created by the operations and maintenance phase of its pipeline towards maximizing the "local content" of the project.

This policy will be implemented through the continued application of the local procurement policies initiated during the construction period and through continued input from the local business organizations.

April 7, 1977

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